

18 October 1995

MEMORANDUM FOR THE RECORD

FROM: Deputy Chief, Interagency Balkan Task Force


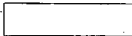
SUBJECT: 18 October Deputies' Committee Meeting on Bosnia

1. Sandy Berger chaired today's meeting that was attended by representatives of OSD, JCS, State, NSC, AID, OMB, and Treasury. John Gannon represented the Agency at this meeting. The items for discussion involved the post-settlement environment both as regards economic reconstruction and the activities of the Implementation Force (IFOR). In essence, the Deputies agreed that many of the streams of planning for peace implementation need to be integrated with the negotiation process.

RECONSTRUCTION

2. The Deputies were briefed on the status of reconstruction planning. The key points were:

- ☐ Humanitarian assistance would continue after a settlement; the US share for 1996 will be roughly \$100 million for food, shelter, and relocation.
- ☐ The donor states need to agree that repatriating the 550,000 refugees abroad prematurely could pose many difficulties for reconstruction.
- ☐ The EU will be responsible for coordination of assistance, but leaving a prominent role for the IMF and IBRD. The US Congress will want this to happen anyhow.
- ☐ A US aid assessment team will go out to Bosnia later this month.
- ☐ The G-7 states have agreed to look favorably at debt reduction of 50-100%.
- ☐ Estimates of reconstruction needs are \$4 billion over 3 years for the territory the Federation held before 15 August, \$1.2 billion for territory captured since then, and \$800 million for Bosnian Serb territory.
- ☐ After figuring expected IMF, IBRD, and other external financing, the Bosnian reconstruction gap for over 4 years is \$1 billion the first, \$0.8 billion in years 2 and 3, and 400 million in year 4. AID has plans for limited technical assistance, costing \$39



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million reconstruction, but it was unclear whether this was consistent with the residual gap.

- AID, and Treasury were tasked with a paper integrating all of these reconstruction issues with the negotiating process and resolving apparent inconsistencies. This will tie in with an overall reconstruction blueprint being worked out. This paper will be completed by late next week to allow for a possible 27 October Principals' Committee meeting to resolve these issues before going into the proximity talks.
- There was some discussion of what to tell Milosevic when he asked for assistance. It was agreed he would have to reach a quick and fair settlement on the successor state issues. Also, he would be told not that Serbia is not reforming its economy enough to qualify for assistance.

IFOR PLANNING

- There was concern that a gap is widening between IFOR planning in NATO and the negotiations on the ground. Holbrooke seems to be promising a more activist role for IFOR than the NATO planners are considering. Also, NATO planners seem to have different views of what to do if either of the sides violate the terms of the agreement; the US would treat Serb and Muslim violations differently, and NATO planners would treat them the same.
- There are questions in several areas of IFOR implementation that need resolution. One example discussed is what to do if there are reports of atrocities in Banja Luka. JCS and OSD will take the questions and attempt answers to them in preparation for a Deputies Committee meeting on Friday.
- The Deputies need to decide whether they want a 20-kilometer heavy-weapon exclusion zone, and, if so, whether they intend to enforce it. They also wondered what to do when both sides make unreasonable demands and whether we intend to enforce such demands.
- They agreed that probably the UNCRO in Sector East and UNPREDEP in Macedonia could probably continue to operate separately from IFOR.
- Jouwan will not ask for prepositioning of IFOR during the proximity talks. This led to a discussion whether that would leave enough time for prepositioning since there would only be a small gap between them and the peace conference.